

SYSTEM AND METHOD FOR PROVIDING AUTOMATIC TELLER
MACHINE SERVICES TO MULTIPLE FINANCIAL INSTITUTIONS

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CROSS-REFERENCE TO RELATED APPLICATION(S)

This application claims the benefit of U.S. Provisional Patent Application No. 60/193,800 filed on March 31, 2000, entitled AUTOMATIC TELLER MACHINE PROVIDER SYSTEM AND METHOD FOR PROVIDING AUTOMATIC TELLER MACHINE SERVICES, the contents of which are incorporated herein by reference.

BACKGROUND OF THE INVENTION

ATMs were first introduced in the 1960's, and became widely adopted by financial institutions and accepted by cardholders in the 1980's. Today, ATMs are a vital distribution channel for financial institutions, providing cost savings over human tellers and other branch operations, and an important benefit to cardholders, who now have access to their funds 24 hours a day. According to a study by Booz, Allen & Hamilton, the cost of processing a transaction through a live teller is almost four times the cost of that for an ATM.

The importance of ATMs as a distribution channel for financial institutions can be illustrated by the pervasiveness of cardholder usage and machine deployment. National studies show that, today, 33 percent of all financial transactions are now done through an ATM. The number of ATM cards has grown to over 200 million. The number of ATMs deployed nationwide has grown from 18,500 in 1980 to 227,000 in 1998. Dove Associates, a consulting firm with expertise in the financial services industry, predicts ATM deployment to grow 10 percent per year over the next five years. The annual number of transactions has grown at a compound annual growth rate of 9.3 percent from 4.5 billion in 1988 to 10.9 billion in 1998. However, as a consequence of the rapid deployment of ATMs, the average number

1 of transactions per machine has declined from 6,580 in 1995 to
3,997 in 1999.

The increase in ATM usage and availability was facilitated by the opening of shared ATM networks. Several years ago, the ATM fleets operated by financial institutions were proprietary networks that were available to only their own customers, as shown in FIG. 1a. The development of the electronic funds transfer ("EFT") networks helped to open up these proprietary systems. Today, a consumer can use an ATM owned by a financial institution in which he is not a customer if his financial institution and the ATM are members of the same EFT network. As shown in FIG. 1b, the EFT networks manage the flow of funds and the communications between different financial institutions. An EFT network is a network that has connections with financial institutions to allow electronic transfer of funds between those participating member financial institutions. There are both national and regional networks. National EFT networks include Cirrus (owned by MasterCard) and Plus (owned by Visa) and regional EFT networks include Star Systems, PULSE, NYCE and MAC, among others. ATMs and financial institutions usually participate with a combination of national and regional EFT networks. The EFT networks are back-end networks, mostly unseen to the consumer.

A side-effect of the new open networks was the advent of the surcharge fee, a fee charged to the consumer for the convenience of using an ATM owned by any entity other than the consumer's financial institution. ATM surcharging became widespread starting in April 1996 when the national EFT networks, Cirrus and Plus, changed their policies to allow surcharging at ATMs. The change in surcharge policy has resulted in the rapid deployment of ATMs at off-premise or off- branch locations. While the massive deployment of ATMs has made accessing one's financial institution account more convenient, as a whole, it has created many inconveniences to a large portion of customers who must pay

1 surcharges every time they use another financial institution's
 ATM, as shown in FIG 1b.

Generally, ATM users will seek out ATMs that have minimum,
 5 preferably zero, transaction costs. However, if the benefits of
 a low cost transaction with an ATM are outweighed by the costs
 of inconvenience (e.g., distance to travel, effort to find, etc.)
 for using that ATM, the user uses an ATM owned by another party
 10 for a surcharge. The surcharge phenomenon has created a
 competitive advantage for larger financial institutions with the
 financial wherewithal and larger customer bases to deploy
 extensive numbers of ATMs in convenient locations. Smaller
 financial institutions, with fewer ATM locations, will inherently
 15 be less convenient to the typical consumer. As a result, smaller
 financial institutions are thereby less able to retain existing
 customers and acquire new customers. The following is a table
 showing the disparity of ATM deployment among financial
 institutions of various sizes:

Table 1. Distribution of Financial Institution ATM Ownership

	Median Number of ATMs	Percent of ATMs Owned	Cumulative Percent of ATMs owned
76 largest financial institutions	440	37%	37%
Next 414 largest financial institutions	43	32%	69%
Remaining 7700 smallest financial institutions	3	31%	100%

30 The difference in competitive positioning has created additional fees to consumers. As shown in FIG. 1c, larger financial institutions now impose "foreign" fees or "off-us" fees to their own customers when they use another financial
 35 institution's ATM. In this case, the consumer must now pay two

1 fees: a surcharge fee charged by the ATM owner, and a foreign
or off-us fee charged by their own financial institution.
Typically, the foreign or off-us fee is between \$1.00 and \$1.50
and appears on the consumer's monthly statement from his
5 financial institution as opposed to appearing on the ATM receipt.

The surcharge fees charged by large institutions have forced
many small institutions to absorb additional costs to retain
customers. Since many smaller financial institutions cannot
afford to deploy ATMs at a cost of \$20,000 to \$25,000 per ATM per
10 year, they have resorted to reimbursing their customers for
surcharge fees incurred when using another financial
institution's ATM, as shown in FIG. 1d. These smaller financial
institutions are forced to reimburse their customers to remain
competitive with the ATM convenience provided by larger financial
15 institutions with large ATM fleets.

There are three basic business models that exist in the ATM
market today. In the first model, ATMs are owned and/or operated
by financial institutions such as banks. Under this model, each
financial institution owns a fleet of its own ATMs, which are
free to its own customers or account holders. As shown in FIG.
20 1a, bank A's customers use bank A's ATMs at no cost to the
customer. Financial institutions drive their customers to their
own machines by providing ATM access free of charge. This is a
demand-driven model where customers will search out their own
financial institution's ATMs because they are free for them to
use. As a result, the transaction volumes at financial
25 institution ATMs are five to ten times the level of that of ATMs
deployed by independent sales organizations ("ISOs") which charge
all users a surcharge.

30 The ATMs of Bank B are also available to Bank A's customer
for use. However, Bank A's customer, as well as Bank A, must
pay costs and fees associated with the transaction. A surcharge
fee is a fee charged by the ATM owner and paid by the cardholder
for using an ATM of an ISO or using ATM services on an account
35 that is not associated with the financial institution of the ATM

1 used. An interchange fee is a fee charged by an ATM owner to a
non-accountholder's home financial institution for handling one
of its transactions. The Cirrus System EFT network charges \$0.50
for each cash withdrawal transaction and \$0.25 for each non-cash
5 withdrawal transaction, such as a balance inquiry. A switch fee
is a fee assessed by an ATM electronic funds transfer network to
a cardholder's home financial institution to pay for processing
each of its transactions and to defray other operating costs,
such as advertising and security. Typically, the switch fee is
10 between \$0.04 and \$0.10 per transaction.

A variation of the first model is when an ATM is owned
and/or operated by another entity, such as an independent sales
organization, and branded under the name of a particular bank.
The bank's customers can utilize these ATMs for free just like
15 they can utilize the other ATMs that the bank owns and/or
operates. The ISO may be compensated in various ways including
a per transaction fee, a flat management, or combination,
thereof. Because the ATMs are branded under the bank's name, all
consumers perceive that the ATM is owned and/or operated by the
specific bank. The perception is that only the customers of the
20 one contracting bank can receive ATM transactions for free at
those ATMs. The disadvantage of such a system is that customers
may perceive the ATMs branded in such manner are free exclusively
for customers of that financial institution, but to no others.

In the second model, ATMs are owned and/or operated by
independent sales organizations. ISOs are not affiliated with
a financial institution. ISOs do not operate their ATMs like a
network. Instead, ISOs operate their ATMs like stand-alone
vending machines and charge each and every customer for using the
30 machine. A vending machine operates on convenience without
leveraging the relationships between one machine and other
machines. In addition, this is a need-based model, where
customers only use these ATMs when given no other choice. Under
this model, all customers must pay a surcharge fee of \$1.50 or
35 more to execute a transaction at an ATM owned by an independent

1 operator. Generally, the surcharge fees at independent ATMs are
much higher than those at ATMs owned by financial institutions.

5 In the third model, there are "no surcharge" ATM alliances
of financial institutions where each of the institutions
contribute at least a part of their ATMs for use by the customers
of the other institutions in the alliance without imposing a
surcharge. Generally, usage of each of the ATMs under the
alliance will increase because customers will deliberately visit
participating alliance ATMs because they are free. This model
10 is an attempt by smaller financial institutions to combat the
competitive advantage that larger financial institutions have
because of their much larger and more extensive networks of ATMs.
In this model, customers of all of the member financial
institutions of a coalition or alliance can use the ATMs owned
15 and designated by the member financial institutions as surcharge-
free ATMs at no cost.

20 However, there are disadvantages associated with such an
alliance. First, the ATMs of the alliance are not uniformly
identifiable under one brand. Instead, each ATM is individually
branded under the name of the financial institution that owns the
particular ATM. This is problematic because it is difficult for
the customer to remember the thousands of financial institutions
that comprise a typical alliance. Second, some alliances allow
participating financial institution members to designate only a
portion of their ATMs as being surcharge free. This requires
customers to not only identify a financial institution as being
25 a member of an alliance, but customers must further determine
whether a particular ATM is one of those designated as being
surcharge free. The end result being additional inconvenience
for the customer. Third, typically large and medium size
financial institutions do not participate in an ATM alliance
because of the disproportionate share of ATMs contributed by the
large and medium size financial institutions as compared with
those contributed by the smaller financial institutions.
30 Finally, many of the ATMs that the alliance financial institution
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1 members possess are not located in high-traffic, convenient
locations. Therefore, significant efforts on the part of the
customer are required to find and locate an alliance ATM. Rather
than readily knowing from a distance that a particular ATM is a
5 participating alliance ATM, the customer must search in a
brochure or website beforehand or approach the ATM to determine
whether or not the ATM is a participating alliance ATM.

The overall problem with the above models is that the
customer and/or the customer's financial institution must pay a
10 surcharge more often than they should because the customer does
not have access to enough free ATMs. What is needed therefore
is a system and method for providing small financial institutions
with the ability to offer their customers surcharge free or low
cost access to large network of ATMs. Preferably, all of the
15 ATM's in the network should have the same distinctive brand name
and trade dress, thereby rendering them readily identifiable to
customers.

SUMMARY OF THE INVENTION

In an exemplary embodiment of the present invention, an ATM
services provider provides ATM services to multiple financial
institutions, or other entities providing financial services, for
the benefit of the customers of the financial institution. The
ATM service provider maintains control of multiple ATMs, which
are connected to an EFT network, while providing ATM services
under contract to the financial institutions. The ATM services
provider provides all conventional ATM transactions including,
but not limited to, cash withdrawal, balance inquiries, balance
transfers, and deposit of money for the customers of the
30 financial institutions. In the exemplary embodiment, the ATM
service provider provides all conventional ATM transactions
except deposit of money. In another embodiment, the ATM service
provider additionally acts as a check clearing house for all of
the financial institutions under contract with the service
35 provider and thereby additionally offers deposit of funds in the

1 form or checks or currency at its ATM's. In a further
embodiment, the ATM services provider may offer check cashing
services at its machines.

5 All of the ATMs of the ATM services provider preferably have
the same distinguishing characteristics or "trade dress" so as
to make the services provider's ATMs readily distinguishable from
other ATMs. The net effect is to build a brand identity for the
10 services provider's ATMs, thus rendering the services provider's
ATMs readily recognizable to customers. The ATM services
provider generates revenue by charging contracting financial
institutions access fees instead of charging the respective
customers a surcharge every time the customers use one of the
15 services provider's ATMs. The services provider further
generates revenue through the collection of EFT network
interchange fees. Although it is expected that the system and
method of the present invention will allow small financial
institutions to provide ATM services to their customers at little
or no cost to the customers, the services provider also provides
the contracting financial institutions with the option of
imposing a surcharge on their customers in order to fully or
20 partially offset the fees charged by the services provider. The
services provider further provides the financial institutions
with the option of varying the surcharge over discrete geographic
regions.

25 The ATM services provider creates many benefits to both the
contracting financial institutions and their customers. By
giving customers free or low cost ATM services from a large
number of easily recognizable ATMs, the financial institutions
offer their customers convenient ATM access, while lowering their
30 own costs by avoiding the time-consuming burden of creating
and/or expanding their own separate networks of ATMs. The ATM
services provider also allows contracting financial institutions
to have access to a far greater number of ATMs than they could
own and operate on their own. The ATM services provider further
35 allows contracting financial institutions to immediately expand

1 into new geographic regions without building their own physical
infrastructure or having a physical presence in those new
markets. These and other features of the invention will become
more apparent from the following detailed description of the
5 invention, when taken in conjunction with the accompanying
exemplary drawings.

BRIEF DESCRIPTION OF THE DRAWINGS

10 FIG. 1a is a diagram illustrating the prior art wherein an
ATM is operated by a financial institution and is available only
to the customers of that financial institution.

15 FIG. 1b is a diagram illustrating the prior art wherein an
ATM of Bank B is made available to customer's of Bank A at a cost
to Bank A and Bank A's customer, and wherein an EFT network
manages the flow of funds and the communications between
different financial institutions.

20 FIG. 1c is a diagram illustrating the prior art wherein when
customers of a large financial institution (Bank A) use another
financial institution's (Bank B's) ATM, Bank A's customers pay
surcharge fees to Bank B and "foreign" fees or "off-us" fees to
Bank A.

25 FIG. 1d is a diagram illustrating the prior art wherein when
customers of a financial institution (Bank A) use another
financial institution's (Bank B's) ATM, Bank A's customers pay
surcharge fees to Bank B and are reimbursed for the surcharge
fees by Bank A.

30 FIG. 2 is a diagram illustrating the present invention
wherein an ATM service provider has both a business-to-consumer
(B2C) component and a business-to-business component (B2B).

35 FIG. 3 is a diagram illustrating an embodiment the present
invention wherein when customers of a contracting financial
institution (Bank A) use ATMs of the ATM service provider, Bank
A's customers do not pay a surcharge fee, and Bank A pays access,
switch and interchange fees to the EFT network and/or the ATM
service provider.

1 FIG. 4 is a flow chart depicting a typical operating procedure for an ATM of the ATM services provider.

FIG. 5 depicts a typical ATM card.

5 FIG. 6 depicts a schematic representation of a database of financial institutions under contract with the ATM services provider.

FIG. 7 depicts a schematic representation of a database of individual consumers under contract with the ATM services provider.

10 FIG. 8 is a flow chart depicting the procedure allowing individual consumers to contract with the ATM services provider.

DETAILED DESCRIPTION OF THE INVENTION

15 Referring to FIGS. 2 and 3, in one exemplary embodiment of the system and method of the present invention, an ATM services provider 10 contracts with a plurality of financial institutions 12, having a plurality of customers 14, to provide ATM services to the customers of the financial institutions. Throughout this specification reference will be made to the term financial institution. A financial institution may include, without limitation, banks, credit unions, savings and loans, brokerage houses, mutual fund houses, insurance companies, firms engaged in banking and investment services over the Internet, and any other entity which may desire to provide financial services to its customers through an ATM network.

20 The ATM services provider 10 provides multiple ATMs 16, where the ATM's are connected to a network 18. The number of ATM's may vary from at least two ATM's to several million or more ATMs, which may be connected in a local, regional, national, or worldwide network. The ATM's may be connected to a proprietary electronic funds transfer ("EFT") network owned or controlled by the ATM services provider and/or the ATM's may be connected an existing EFT network such as the CIRRUS and PLUS networks owned by Mastercard and Visa respectively. Preferably the ATM network 30 is national in scope and is subdivided into predetermined

1 geographic regions, such as state and county level networks. The
ATM services provider provides all conventional ATM transactions
including cash withdrawal, balance inquires, balance transfers,
and deposit of money. In the exemplary embodiment, the ATM
5 services provider provides all conventional ATM transactions
except deposit of money. In another embodiment, the ATM services
provider also accepts currency and check deposits and provides
check clearing services to the contracting financial
institutions. In a further embodiment, the ATM services provider
10 may provide check cashing services at its ATMs.

With continued reference to FIGS. 2 and 3, in the exemplary embodiment of the present invention, the ATM services provider 10 preferably offers free ATM access to the customers 14 of the contracting or participating financial institutions 12. Preferably, the ATM services provider generates a majority of its revenue from access fees 20 and EFT network interchange fees 22 which are paid by the contracting financial institutions. The ATM services provider may generate a portion of its revenue from a per transaction surcharge 24 imposed upon customers of the contracting financial institutions. In addition, a particular financial institution may impose, or direct the ATM provider to impose, a per transaction "off-us" or foreign fee 26 on its customers to partially or wholly offset the cost of the ATM transactions. It is expected that in some locales, such as sparsely populated regions which lack sufficient transaction volume to otherwise support an ATM, such surcharges may be required. Further, some financial institutions may wish to provide free ATM access to their customers in certain geographic regions and may wish to provide access for a fee in other regions. Also, some financial institutions may desire to provide a predetermined number of free transactions on a periodic basis and charge a fee for transactions in excess of the predetermined number in any particular period.

The ATM services provider 10 improves upon the closed ATM
35 networks maintained by large financial institutions, wherein the

1 ATMs are accessible free of charge only to the customers of the
large institution, by providing ATMs 16 which are distinguished
by a common trade dress and which are accessible to any financial
institution 12 contracting with the ATM services provider. The
5 customers of each particular contracting financial institution
14 may have free of charge access to all of the ATMs of the ATM
provider, or to a subset of the provider's ATMs, at the
discretion of their particular financial institution. The system
and method of the present invention allows small financial
10 institutions with limited ATM networks, or no ATM's at all, to
provide their customers with free of charge access to an
extensive network of ATMs of a geographic scope previously only
available through large financial institutions. Thus, the
present invention ATM system and method promotes competition by
15 allowing small financial institutions to offer ATM services
equivalent to those offered by large financial institutions. The
ATM services provider may serve as an extension of a particular
financial institution's existing network of ATMs or may serve as
the primary cash delivery system for those financial institutions
20 without their own ATM networks. In one embodiment, each ATM of
a contracting financial institution may be purchased by the ATM
services provider and be incorporated in the services provider's
ATM network.

25 The ATM services provider 10 also provides benefits to
financial institutions with existing ATM networks of large and
intermediate size. Today, there is substantial duplication in
ATM placement among competing financial institutions and ISOs.
Frequently, competing financial institutions with overlapping
territories have placed their ATMs in close proximity to the ATMs
30 of competitor institutions. This is particularly prevalent in
desirable high traffic locations. This has resulted in an
overall redundancy in ATMs and excessive costs. There are fixed
overhead costs associated with operating an ATM. The overhead
costs are spread out over each transaction and added to an
35 individual transaction cost to give a total transaction cost.

1 As the number of transactions increase per ATM, the total cost
per transaction decreases. Therefore, by eliminating redundant
ATMs, the ATM services provider can increase transaction volume
at the services provider's ATM. The net effect is to decrease
5 the fixed costs per ATM transaction. For this reason, even large
financial institutions may prefer to contract with the ATM
services provider in order to realize the cost savings that may
be achieved by eliminating redundant ATMs.

In addition, with the redundant ATMs removed, ATM access is
10 typically improved for the customers. ATM access is typically
improved because desirable high traffic locations generally may
accommodate only a limited number of ATMs and therefore some
financial institutions regardless of size will be locked out of
15 some high traffic locations due to lack of the space needed to
place additional ATMs. Again, smaller financial institutions
particularly benefit by being able to provide ATM services to
their customers in desirable locations where they would not have
the resources to provide their own ATMs. In sum, by providing
one ATM in place of several, the cost per transaction decreases.
20 As a result, the financial institutions will likely have more
customers retained and acquired at lower cost, and thus, more
profits.

The ATM services provider business model has both a
business-to-consumer (B2C) component and a business-to-business
component (B2B) as shown in FIG. 2. From the B2C standpoint, the
ATM services are typically provided free of charge to customers
14 of the participating financial institutions 12. The ATM
services provider 10 is viewed from the consumer perspective as
a "brand name" ATM network. By providing transactions for free,
30 or at reduced cost, customers of the participating financial
institutions will actively search out and use the ATMs of the ATM
services provider on a regular and frequent basis. From the B2B
side, significant costs to the financial institutions that are
associated with operating their own ATM networks are avoided,

1 i.e., financial institution clients will no longer need to
2 operate any of their own ATMs.

As stated previously, in the exemplary embodiment, the
customers 14 of the contracting financial institutions 12
5 preferably do not pay any surcharges to the ATM services provider
10 for using the service provider's ATMs 16. Instead, the
primary revenue source for the ATM services provider is from the
access and interchange fees, 20 and 22, paid by the financial
institution of the customer, as shown in FIG. 3. An access fee
10 is the fee charged to the financial institution for each
transaction conducted by a customer of the financial institution.
For financial institutions that are under contract with the ATM
services provider, the access fee is less than the full surcharge
rate charged by competitor banking entities for access to their
15 proprietary ATM networks. As a result, the ATM services provider
reduces the overall costs of ATM access to most parties, i.e.,
ATM services are preferably free to customers of contracting
financial institutions and the per transaction costs for the
contracting financial institutions are generally lower than the
20 prevailing full surcharge rate. Access fees can be charged to
the participating financial institutions in several ways. The
access fees may be charged on a per customer basis rather than
on a per transaction basis. The fees may also be charged on a
periodic fixed or flat fee basis. Both the access fee and the
25 EFT transaction fee may vary with respect to the type of
transaction performed. The above examples are representative
only. Other methods of charging access fees are possible.

In another embodiment, a particular financial institution
may choose to impose a modest surcharge assigned on an ATM-by-
30 ATM, or geographic region -by- geographic region, basis. For
example, a particular financial institution with operations in
only one state may want to provide free access for its customers
to the services provider's ATMs which are located only in the
state in which the financial institution operates. The
35 particular financial institution may further wish to provide its

1 customers with ATM access in other states at a modest surcharge,
which is preferably below the prevailing rate charged by large
institutions. The system of the present invention allows for the
provision of free and/or surcharged ATM access on a local, state
5 or nationwide basis, as best suits the needs of a particular
contracting financial institution.

By offering ATM services to customers for free, and having
a large customer base associated with the multiple financial
institutions, the ATM services provider's transaction volume is
10 driven up to a level that will more than compensate for the
comparatively low fees assessed on each transaction by the ATM
services provider. A higher volume of transactions at each of
the services provider's ATMs leads to reduced operating costs for
each institution, as the fixed costs of operating an ATM decline
15 with increased transaction volume. Typical ATM operating costs
may include, lease of the ATM machine, rent of location space,
telecommunications and data processing costs, employee salaries,
cash pickup and replenishment service, and machine maintenance
costs. Despite these substantial costs, the cost of ATM
20 transactions are generally lower than the costs associated with
teller service.

Because the ATM services provider offers free access to the
customers of contracting financial institutions, the customers
will in general travel greater distances to use the services
provider's ATMs in order to avoid paying a surcharge fee. As a
result, the ATMs of the ATM services provider may be able to
25 expand transaction volumes to levels similar to bank "off-
premise" ATMs, i.e., ATMs owned by a financial institution but
placed away from financial institution property, such as in
malls, retail stores and other high-traffic locations. Bank
30 "off-premise" ATMs have about 2,600 monthly transactions, where
the ATMs of ISOs typically average less than 500 monthly
transactions.

Potential clients of the ATM services provider may include,
35 but are not limited to, brokerage firms, insurance companies,

1 Internet financial institutions, small and medium-sized
traditional financial institutions and credit unions. These
financial institutions typically do not provide an ATM in a
certain location without first having a customer base to support
5 the ATM network in those locations. Some financial institutions,
such as Internet financial institutions and brokerage firms, may
have customer bases that are geographically dispersed which makes
it difficult and, in many cases, economically unfeasible, to
deploy a network of ATMs that will be utilized sufficiently.

10 As a physical delivery system for getting cash to consumers,
the ATM services provider provides a cost-effective and
sustainable solution for smaller financial institutions. The ATM
services provider offers several value propositions to these
financial institutions including lower ATM-related costs, higher
20 customer retention and customer acquisition rates, and increased
assets. The ATM services provider further lowers the direct
costs for financial institutions that currently reimburse their
customers for surcharges because the access fees are less than
the surcharge fees charged by most ATMs.

25 By increasing the convenience level to consumers several-fold,
the ATM services provider helps contracting financial
institutions retain their existing customers and acquire new
customers at much higher success rates. The ATM service provider
also helps contracting financial institutions keep customers who
change residences, as the financial institutions will continue
to be able to provide customers with convenient access to their
accounts through the ATMs that the ATM services provider has in
other geographic regions. With positive net new customers, the
asset base for these financial institutions will increase.
30 Finally, some financial institutions will experience increased
asset acquisition as customers consolidate their assets into a
single financial institution. For instance, brokerage firms,
which currently provide significantly higher interest rates
compared to that of banks will be able to offer convenient access

1 to cash by contracting with the ATM services provider, making
brokerage firms ideal centers for personal asset consolidation.

5 The ATM services provider will have a prominently displayed
brand name and appearance that is easily recognized and
understood by customers to represent free ATM access. The ATMs
preferably have similar distinguishing characteristics, i.e,
"trade dress", including similar logos, so that customers may
easily recognize the ATMs of the ATM services provider. In one
10 preferred embodiment, the "brands" or "marks" of contracting
financial institutions are not displayed on the ATMs of the ATM
services provider so as to avoid any customer confusion. In
another embodiment, the "brands" or "marks" of contracting
financial institutions are displayed only on the monitor when a
customer inserts/swipes his ATM card into the ATM.

15 The ATMs of the ATM services provider are preferably placed
in retail chain stores, office buildings, malls, airports, and
other high traffic locations that are habitual stops for
customers. As a result, the customers are able to conduct their
banking transactions on a regular and convenient basis. Placing
20 the ATMs in retail chain stores has the advantages of both the
high-traffic real estate that those stores have purchased, and
the widely recognized chain store name. As a result, the ATM of
the ATM services provider are convenient to the customer, and the
customer is able to associate the ATM with those retail chain
25 stores. Once a customer knows that the ATM services provider is
in every such chain store, the customer can easily find the ATMs
of the ATM services provider. Additionally, or alternatively,
the ATMs of the ATM services provider are placed in convenience-
oriented shops and/or smaller "mom or pop" stores.

30 In one embodiment, the ATM services provider contracts with
"e-cash" entities, such as PayPal, or another escrow type
account. The ATMs are used to access the cash distributed from
the e-cash entities. E-cash refers to money held in electronic
form, for example money placed on a smart card, instead of
35 traditional checks, money orders, and cashier's checks. For

1 example, the ATM services provider allows customers to access
cash from an e-cash account by withdrawing their cash through the
services provider's ATMs rather than receiving a check from the
e-cash entity. The customers may access their cash with a
5 typical ATM card. Alternatively, the customers can receive a
code via the Internet or other medium and use this code at an ATM
of the ATM services provider to access their cash. The ATM
services provider may also allow customers to add funds to a
smart card, or other stored value card, by deducting the added
10 funds from the customer's financial institution account.

In another embodiment, an individual customer's usage
pattern is tracked. Based on the usage pattern, ads are
customized and/or delivered to the customer. For example, if a
customer lives in Los Angeles and visits an ATM of the ATM
15 services provider in Chicago, the ATM services provider has a
database which identifies the personal characteristics of the
customer, such as the preferred language of the transaction, the
financial institution the customer is affiliated with, the type
of usage of the ATM as well as the ATM location. The database
20 also tracks whether the customer is associated with a financial
institution that has a free-ATM use policy, or whether the
customer has an account where there are charges for ATM use.
Based upon the information in the services provider's database,
the services provider may provide custom tailored advertising
25 (hotels, restaurants, etc.) likely to interest the customer
during his out of town trip.

In yet another embodiment, ATM services provider may also
provide check clearing services to the contracting financial
institutions, thereby allowing check deposits by customers of the
30 financial institutions even though a particular deposit may be
geographically remote from the particular financial institution
designated to receive the deposit. In another embodiment, the
ATM service provider may be equipped with check readers so as to
provide check cashing services to customers. Check cashing

1 machines are known to those skilled in the art. U.S. Patent No. 6,1454,738, describes one such system.

Referring now to FIG. 4, a typical process for using the ATM machines of the ATM service provider will be described. 5 Initially, in step 100, a customer inserts an ATM card 128 (FIG. 5) in the ATM service provider's machine and subsequently enters his personal identification number ("PIN"). In step 102, the ATM contacts, via an EFT or similar network, the customer's financial institution to validate the card and PIN in order to authorize 10 transactions. In step 104, the ATM receives the validation response, if the answer is yes, the ATM proceeds to step 106, if the answer is no, the ATM proceeds to step 124 where the customer's ATM card is returned.

In step 106, the customer's card number is checked against 15 a client data base 126 (FIG. 6). In step 108, the ATM queries the client database to determine whether the customer's financial institution is under contract with the ATM services provider, if the answer is yes, the ATM proceeds to step 110. In step 110, the client database 126 is again queried to determine the 20 surcharge, if any, that is to be charged to the customer and access fee that is to be charged to the contracting financial institution. In step 112, the ATM generates a display depicting the contracting financial institution's logo and trade dress and informs the customer of which ATM services are available, and what fees, if any, will be assessed for those services and then 25 proceeds to step 118.

In step 118, the ATM generates typical transaction display screens which are well known to those skilled in the art. After the customer makes his desired transaction, the ATM proceeds to 30 step 120. In step, 120 information regarding the transactions which occurred in step 118 are transmitted to the customer's financial institution. In step 120, the customer's financial institution is billed for the ATM services. If the customer's financial institution is a contracting financial institution, 35 that institution is billed as provided in its contract with the

1 ATM services provider. Non-contracting financial institutions
are billed a surcharge which is typically immediately charged and
collected via an EFT network.

5 Referring again to step 108, if the answer is no, the
customer's financial institution is not under contract with the
ATM services provider, the ATM machine proceeds to step 114. In
step 114, the ATM displays a "fee notice," that is, the ATM
informs the customer that a fee will be assessed for the
transaction. In step 116, the customer may accept or reject the
10 fee. If the customers accepts the fee, the ATM proceeds to step
118 and proceeds to process the transaction. If the customer
rejects the fee, the ATM proceeds to step 124 and returns the
customers ATM card.

15 FIG. 6 depicts a schematic representation of the contracting
financial institution database 126 maintained by the ATM services
provider. This database includes a compilation of the
contracting financial institutions 136, a compilation of bank
identification numbers ("BIN") 134 associated with each financial
institution, a compilation of the access fees 140 to be charged
20 to each respective financial institution, and an indicator 142
of the geographic regions for which service is to be provided for
each contracting financial institution. The database may be
housed at the ATM terminals, at a central database management
center, at intermediate centers, or a combination thereof.

25 Referring now to FIG. 5, the typical ATM card 128 is
displayed. The card will typically include a customer account
number 132 and a bank identification number ("BIN") 134. This
information may be recorded on a magnetic strip affixed to the
card or by other means known to those skilled in the art.

30 In another embodiment, customers of non-participating
financial institutions, or customers of participating financial
institutions which provide limited free access to the service
provider's network, may contract directly with the ATM services
provider for expanded access to the network. The customer is
35 given the option of signing up for unlimited access to the ATMs

1 of the services provider for a flat fee over a designated period
of months, such as three months. Such access may be granted
directly from one of the services provider's ATMs. The
customer's usage may be tracked and a statement may be printed
5 out for the customer that calculates savings from joining the ATM
network plan. FIG. 8, depicts a typical customer sign-up
procedure. In step 146, the ATM ascertains whether the customer
is from a participating financial institution. If the answer is
yes, the ATM proceeds to step 148 and continues with typical
10 transaction processing procedures described with reference to
FIG. 4 above. If the answer is no, the ATM proceeds to step 150.
In step 150, the ATM generates a query screen explaining that the
customer has the option of joining the ATM services provider's
network. In step 151, the customer is asked if wants to join the
15 ATM services provider's network. If the answer is no, the ATM
proceeds to step 158, where a surcharge is imposed upon the
customer. If the answer is yes, the ATM proceeds to step 152.
In step 152, the ATM generates a display screen depicting the
customer's options for joining the services provider's system.
20 In step 154, the ATM records the customers account information
and sign up option in a consumer client database 130 (FIG. 7)
maintained by the ATM services provider. In step 156, the ATM
machine debits the customers account in accordance with the sign-
up option chosen by the customer.

25 FIG. 7 depicts a schematic representation of the consumer
client database 130 maintained by the ATM services provider.
This database includes at least a compilation 131 of the
consumers who have elected to sign-up with the ATM services
provider, a compilation 140 of the account numbers associated
30 with each respective consumer, and a compilation 137 of the
expiration dates upon which the each consumers service option
expires. The consumer client database may be organized as a
subset of the contracting financial institution database 126.

35 While only the presently preferred embodiments have been
described in detail, as will be apparent to those skilled in the

1 art, modifications and improvements may be made to the system and
method disclosed herein without departing from the scope of the
invention. Accordingly, it is not intended that the invention
be limited except by the appended claims.

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